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## Diamond Offshore files for bankruptcy, citing 'price war,' coronavirus

By Alwyn Scott



NEW YORK (Reuters) - Diamond Offshore Drilling Inc filed for bankruptcy protection in Texas on Sunday, after the company recently skipped making an interest payment and said it had retained restructuring advisers.

The Houston-based contract drilling company's filing, one of 15 of its group companies seeking protection under Chapter 11, said day rates and demand for its services had "worsened precipitously" this year amid a "price war" between OPEC and Russia and the steep drop in oil demand caused by the coronavirus pandemic.

The company has significant operations in the Gulf of Mexico.

The filing comes as the five biggest U.S. and European firms have cut spending an average of 23% in response to the drop in oil demand caused by the coronavirus pandemic. The companies are Exxon Mobil Corp, Royal Dutch Shell BP PLC, Total and Chevron Corp.

Global spending on oilfield equipment and services is forecast to fall 21% this year to its lowest level since 2005. Oil futures prices last week closed below \$0 for the first time in history.

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Loews Corp was Diamond Offshore's largest shareholder, with 53% as of April 3, according to Refinitiv.

Diamond had recently drawn \$400 million under a revolving credit facility. But it said "the financial and operational conditions of the Diamond Offshore Group Companies have continued to deteriorate in the weeks following such responses."

Diamond Offshore Drilling listed Bank of New York Mellon Corp as by far its largest creditor, with a combined \$2 billion in claims. The next largest creditor was National Oilwell Varco Inc, with about \$6.2 million in claims.

The company had about 2,500 workers, including international crew furnished through independent contractors, as of the end of 2019.

Reporting by Alwyn Scott; Editing by Peter Cooney

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